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I N F O T A B

MEETING OF THE BOARD OF DIRECTORS

BATH

October 30-31, 1983

Present:	Mr. A.M. Reid (Chairman) Mr. A.J. Collingridge Mr. E.A.A. Bruell Mr. T.J. Tice Mr. H. Cullman Mr. R.W. Murray Dr. H. Wiethüchter Mr. E.A. Horrigan, Jr. Mr. C.A. Tucker Mr. L.W. Pullen Mr. V.A. Brink Mr. T.M. Van Gorkom Mr. F.J. Janet Mr. R.A.D. Egerton Mr. R.L.O. Ely Mr. A. Holtzman Mr. T.C.H. King Mr. R.J. Marcotullio Mr. C. Vogel Mr. A. Whist Mr. D.K. Hoel Mr. B.C. Simpson Mr. R.M. Corner Ms. A. Corti (Secretary)
Invited for special sessions:	Mr. R. Wartena Mr. H. Verkerk Professor I. Walter

CHAIRMAN'S OPENING REMARKS

1. The Chairman, Mr. Andrew Reid, opened the meeting at 9.00 a.m. He welcomed participants and, in particular, Mr. François Janet as elected delegate from Associate Members and Mr. Richard Corner as Deputy Secretary General Designate.

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2. He then recommended that Ms. Antonietta Corti act as secretary to the meeting. This was agreed.

3. Turning to the agenda, the Chairman pointed out that the main topics for discussion should be taxation, the Winnipeg conference, credibility and social acceptability.

4. He mentioned that he had attended the opening sessions of the Washington, D.C. NMA Workshop, and expressed appreciation for the great deal of work undertaken by NMAs throughout the world.

5. He asked the Board whether enough support was given to NMAs by founding Member Companies. Are we doing sufficient work related to the issues at hand? Is the present INFOTAB thrust correct? He said the meeting should attempt to find the answers to these questions.

6. Mr. Hugh Cullman, on behalf of Philip Morris, made a statement of policy concerning anti-smoking organizations. Other Member Companies confirmed that the Philip Morris statement was in accord with their own policies.

7. The Chairman, in noting this statement, said that Member Companies should feel free to advise their affiliates.

ITEM 1: MINUTES OF THE BOARD MEETING - APRIL

8. All companies having given their approval, the minutes were agreed.

ITEM 2: ELECTION OF NEW BOARD MEMBER

9. The Chairman greeted Mr. Lester W. Pullen, who was nominated by R.J. Reynolds as their second representative to the Board, thereby replacing Mr. Charles Tucker. Mr. Pullen was formally elected by the Board.

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ITEM 3: REPORT FROM THE SECRETARY GENERAL

10. At the request of the Chairman, the Secretary General presented his written report and gave supplementary comments.

3.1. Overview of International Issues and Developments

11. The Secretary General underlined the increased activities of anti-smoking forces in Latin America and Africa, reported on the UN/CTC's commodities meeting held in August and mentioned that consumer organizations appear to be operating as pressure groups in EEC circles.

3.2. National Developments

12. Following discussion, the Secretary General was asked to ensure that industry policy concerning certain enabling legislation be clearly known throughout the INFOTAB network.

3.3. INFOTAB Action

13. The Secretary General then presented the INFOTAB programme.

3.4. Staffing at the Secretariat

14. Following the Secretary General's statement that Mr. Jack Picton will soon be returning to Rothmans, the Chairman, on behalf of the Board, expressed its thanks to him for his services to INFOTAB.

3.5. INFOTAB's Regional Activities

15. Following the Secretary General's report, a discussion took place on the difficulties of forming NMAs in such countries as India, Pakistan, Hong Kong and Mexico.

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16. Philip Morris and B.A.T. both offered to give this issue their special attention and report at the April meeting on possible action.

17. On the subject of broadening the INFOTAB membership, Companies agreed to advise the Secretariat of possible candidates among machinery suppliers and leaf dealers.

18. The Secretary General reported that he had contacted some of these candidate companies and agreed to send copies of his letters to Member Companies for information.

3.6. Budget

19. The Secretary General then presented the 1983 budget which was contained in the binder. He asked for approval of the final expenditure of $2 676 360 and explained that two-thirds of the probable surplus of $300 000 was due to currency fluctuations and one-third to savings on projects. He proposed that this difference be deducted from next year's subscriptions.

20. He then presented the new procedure used by the Budget Committee in preparing the 1984 budget, i.e. the provision of a contingency for projects subject to Board approval, in order to avoid subsequent requests to the Board for budget increases.

21. The Board of Directors approved the 1983 and 1984 budgets subject to the provisions laid out in the binder.

22. It was agreed that all future financial reporting and budget proposals be expressed in Belgian currency.

23. The Chairman thanked Mr. Ansell Egerton and Mr. Trevor King for their assistance as members of the Budget Committee.

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Tabling of Documents

Monopolies

24. The Secretary General tabled a report and analysis of monopolies. Following discussion, the Members of the Board agreed to the recommendation of maintaining INFOTAB policy regarding monopolies, i.e. that informal relationships be established as and when appropriate, even though no actual membership is envisaged. The monopolies can receive INFOTAB literature and material on a limited basis at the discretion of the Secretary General.

LDC Group

25. The Board Members agreed to the establishment of the Developing Countries Project Team. Some Project Team members were still to be designated by Companies. It was agreed that the Chairman of the Project Team would report to the Advisory Group.

ITEM 4: ADVISORY GROUP REPORT

26. The written report was presented by the Secretary General as an information document.

ITEM 5: TAXATION

27. The Chairman introduced the item and welcomed Mr. Ruurd Wartena and Professor Ingo Walter, who were to present this subject.

28. Mr. Wartena presented the Taxation Project Team's work. He said that 150 copies of the taxation binder had so far been distributed. He presented the Project Team's conclusions, recommendations and its definition of INFOTAB's role as follows:

- To supply background material such as the binder;

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- To serve as an early warning system (anti-smoking organizations' strategy, etc.);

- To identify third parties who share common interests and could be mobilized to resist tax increases.

29. The Chairman thanked Mr. Wartena for his presentation. He extended the Board's thanks to the Taxation Project Team for their work.

He then invited Professor Walter to make his presentation.

30. Professor Walter made a slide presentation. He defined the arguments used as being conventional and familiar to people who work in and use economics and, therefore, as having a fair chance of being effective.

31. He reported that the same presentation had been made in Uruguay, where the Government's reception had been positive and a tax reduction had been obtained.

32. Following Professor Walter's presentation, the Secretary General thanked Philip Morris for its contribution to the production of the slides. A full set of the slides is available at the Secretariat.

33. Mr. Andrew Whist added that Philip Morris is presently examining the possibility of preparing a set of political arguments for use in the tax area.

34. A short discussion followed on the question of elasticity of demand related to taxation and the effectiveness of this argument in discussions with governments.

ITEM 6: ECONOMIC IMPACT STUDIES

35. The Secretary General introduced the subject and made preliminary comments to Professor Ingo Walter's slide presentation.

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36. Professor Walter presented a comprehensive approach to economic impact studies, including upstream and downstream analysis. He suggested that local consultants, who have credibility with government and who know its objectives well, be assigned to carry out the national studies.

37. The Chairman thanked the presenter for his excellent overview.

38. To a question by Mr. Vernon Brink on the relevance of "social cost" analysis, Professor Walter replied that his personal belief was as follows: given that social cost analysis implies normative, rather than real, economics, economists are presently insufficiently equipped to deal with the matter.

A F T E R N O O N

39. The Chairman informed the meeting that Mr. Eric Bruell had to leave Bath because of urgent business, but hoped to return that same night.

40. He asked the Secretary General to present two items related to future action on taxation and economic impact.

41. The Secretary General suggested that, as taxation was a very individual national matter, one service the Secretariat could offer was the consultancy assistance of a specialist. He asked the Board for its views on this idea in principle, and the possibility of engaging Sir Ronald Radford as a consultant in particular. He added that the taxation issue would be further discussed at the December Advisory Group meeting.

42. It was decided that a decision on this point be deferred to the next morning.

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43. Regarding the question of a possible economic impact study in 18 European countries, the Secretary General asked the Board for its opinion, although the study would not be undertaken before discussion at the December Advisory Group meeting.

44. He reported that the general climate for such a study had been carefully explored; it was felt that there was a need for industry data properly constituted as reference material. Professor Walter would structure the study; a tender would then be made to a committee formed of representatives of the appropriate tobacco companies.

45. In answer to the Chairman's request on the use and value of impact studies, it was stated that both in the U.K. and the United States, such data and material had proved useful, mainly in relations with the Government.

46. The Board decided to have the project further examined by the Advisory Group, which would make the decision.

ITEM 7: WINNIPEG

47. The Chairman welcomed Mr. Hans Verkerk and invited him to make his presentation on the Winnipeg conference.

Mr. Verkerk gave an abridged version of his report previously given at the NMA Workshop. It included four components:

- An analysis of differences between the Stockholm (1979) and the Winnipeg (1983) conferences;

- Main recommendations at Winnipeg and repercussions on industry;

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- Taped extracts of selected Winnipeg presentations;

- Areas where the Project Team felt INFOTAB could act. He highlighted the increased professionalism of the anti-smoking forces and the growing "politicization" of the battle, as well as the determination of these forces to use all available means against the industry (rather than against smokers).

48. The Chairman thanked Mr. Verkerk for his presentation.

49. At the Chairman's request, Mr. Don Hoel gave a short report on the present litigation situation in the United States.

50. At the invitation of the Chairman, the Secretary General stated that the Project Team's recommendations would be further discussed at the Advisory Group level. He added that a primary concern of the Secretariat was how to strengthen and support NMAs so that they are fully prepared to tackle the emerging issues.

51. Following this, the Chairman concluded the formal business for the day.

S E C O N D D A Y

52. As agreed at the previous day's session, the Chairman asked the Board whether or not Sir Ronald Radford's appointment was considered appropriate.

53. The appointment was unanimously approved, for a period of one year and on the basis of a daily fee.

ITEM 8: INFOTAB PLANS FOR 1984

54. The Secretary General presented slides on the INFOTAB programme for 1984.

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55. Following discussion, the Secretary General was asked to contact the American Tobacco Company to discuss the possibility of full membership of INFOTAB.

56. In response to a question by the Chairman, Ms. Antonietta Corti reported that the data base would include comprehensive core collections of all priority issues by mid-1984. Direct access for users would then be envisaged. A vade mecum for users will be produced on technical requirements and content of the data base.

57. When presenting the I.A.A. booklet "Tobacco Advertising Bans and Consumption in 16 Countries", the Secretary General paid tribute to Mr. Paul Bingham from B.A.T. for assembling neccesary data.

58. The Board agreed that key documents selected by the Secretariat be translated into Spanish for Latin American NMAs and Lead Companies. Translation into French should be considered if and when appropriate.

59. During discussion on the NMA Workshop, the Secretary General paid tribute to the United States Tobacco Institute for their assistance and hospitality in Washington.

60. At the end of his presentation, the Secretary General asked the Board if INFOTAB was following the desired line of action.

61. Mr. Hugh Cullman stated that INFOTAB was now showing promise as an Information Service; issues were being addressed and material prepared. Some NMAs, however, did not seem to have the proper resources to use what was produced. He suggested that, on an annual basis, some selected countries be identified where industry representation could be strengthened. This was unanimously agreed.

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62. Following discussion, the Chairman suggested that the Secretary General and the Advisory Group prepare an action plan to progressively improve the quality of NMAs.

63. As a first step, Mr. Bruell asked that a member of each company and the Secretary General meet following the Board Meeting to identify some NMAS which should be upgraded.

ITEM 9: CREDIBILITY

64. The Chairman opened the discussion, and presented the historical background to the subject.

65. In summary, he suggested that the industry not speak up on the primary health issue, given its emotional nature, but concentrate on issues where it felt it could be effective. He then asked the Secretary General to present the Project Team's paper.

66. The Secretary General introduced the report in the binder and pointed out the recommendations listed on page 10 of the Credibility document. He asked the Board Members for their suggestions and support.

67. Mr. Eric Bruell and Mr. Robert Ely, on behalf of B.A.T., stated that their experience had shown that even generally well-informed people and politicians appreciated being exposed to the industry position on health issues and research; politicians are usually not aware of the complexity of the issues and Messrs. Bruell and Ely suggested that industry provide more information about its various research projects.

68. Mr. Ed Horrigan reinforced that point by saying that, according to a survey, 68% of the American public believes that the industry's position should be heard.

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69. Mr. Hugh Cullman acknowledged the Chairman's remarks. He stated, however, that Philip Morris felt that they could not remain silent on the primary issue. He said he felt that industry should respond when and how it can.

There followed a lengthy discussion on various issues and the way industry could approach them.

70. Dr. Horst Wiethüchter said he felt comfortable with the present overall INFOTAB policy.

71. Mr. Vernon Brink applauded the thoughts of the Chairman. He questioned whether Credibility should be tackled as a separate issue. He felt that the Matrix might provide a more tangible ground for discussion and decision. He also felt that dividing Credibility into sub-issues strengthened the industry's position.

72. Mr. Ed Horrigan said he believed that the on-going activity programmes are addressing the Credibility issues.

73. The Chairman summarized the discussion.

74. It appeared that there was no unanimity of view as to how smoking and health issues should be handled among the Founding Members. It was noted that the Charter allowed for each Member to be free to address those issues if and when considered appropriate.

75. The Chairman encouraged the considerable support for the proposition that credibility should be divided into sub-issues which could receive different, and appropriate, treatment.

76. He made a personal observation on industry conflicts. He said again that, in the opinion of the Board, the balance pursued by INFOTAB was correct in a broad sense. There was general agreement on the Matrix as a guideline for action. If a company wanted to take exception, it remained free to do so.

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77. All agreed to this summary.

ITEM 10: SOCIAL ACCEPTABILITY

10.1 Public Smoking

78. At the invitation of the Chairman, Mr. Christian Vogel gave a personal introduction to the subject. He distinguished between "passive" and public smoking, the former being a medical issue and the latter related to safety, fire prevention and annoyance. Both issues are used in efforts to make smoking socially unacceptable.

He then pointed out that, in 1979, SAWP had already pinpointed these issues as having a "political" dimension and gave a concise run-down on industry activities on the subject.

He also referred to the Verband's programme in this area. He then recommended that renewed action be supported by INFOTAB to:

- Provide new support for scientific research in the "passive"/public smoking area;

- Create a positive environment for policy making; and

- Mobilize independent scientists to take up the issue with a view to stabilizing the situation.

79. The Chairman thanked Mr. Vogel for his presentation.

80. At the request of the Chairman, Mr. Don Hoel discussed the current status of the "passive"/public smoking issue. He reviewed recently published material in the area. He then mentioned the forthcoming publication of the proceedings of a recent symposium on the subject.

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81. Following discussion, the Chairman observed that much of the work on the subject was carried out in the United States and West Germany. In all other countries, however, little work was done. He suggested that in those countries where, for various reasons, INFOTAB could take or recommend some initiative, the Secretariat should do so. If any budget considerations were to be involved, these should be discussed at the Spring Board Meeting. This was unanimously agreed.

10.2. Social Costs/Values

82. Mr. Richard Marcotullio introduced the session and gave the background to the subject and the Project Team's achievements. In particular, he presented an outline of a monograph containing some 14 chapters, each authored by a recognized expert.

83. On behalf of the Board, the Chairman complimented Mr. Marcotullio on the progress made in this area.

84. Mr. Eric Bruell asked whether the courtesy issue could be better addressed around the world. He suggested that Regional Co-ordinators look into the matter during their visits to NMAs.

85. Following discussion, the Board asked the Secretary General to raise the courtesy issue with the Advisory Group.

ITEM 11: RECOMMENDATIONS - CHAIRMAN'S COMMENTS

86. The Chairman summarized the issues which had been discussed by the Board.

87. In supporting the Chairman, Mr. Hugh Cullman emphasized that the priorities were:

- Taxation;
- Social Acceptability;

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- Strengthening NMAs;

- Maintaining maximum freedom of marketing with the support of advertising agencies.

88. At the Chairman's request, the Secretary General then listed the major decision points of the Meeting:

1. Industry stance on legislation:

   Secretary General was requested to ensure that INFOTAB policy concerning certain enabling legislation be clearly communicated to NMAs.

2. Budgets:

   The 1984 Budget Proposals were adopted subject to the provisions in the meeting binder.

   Future budgets to be determined and expressed in Belgian currency.

3. Monopolies:

   INFOTAB policy to remain unchanged; no formal membership of monopolies; informal contacts if and when appropriate.

4. Developing Countries Project Team establishment agreed.

5. Taxation:

   Engagement of Sir Ronald Radford as consultant agreed for a one-year period on a daily-fee basis.

6. Economic Impact Study:

   Feasibility of an 18-country study to be examined by Advisory Group.

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7. Social Costs:

Advisory Group to take into account Professor Ingo Walter's comments.

8. Winnipeg Follow-Up:

To be addressed by Advisory Group.

9. Membership:

Secretary General to contact the American Tobacco Company to discuss the possibility of full membership of INFOTAB.

10. Information material:

Key documents to be translated into Spanish; French translation to be considered if and when appropriate.

11. Formation and strengthening of NMAs:
Secretariat with Advisory Group to identify countries where NMAs should be strengthened or set up as a priority.

N.B. Resistance by local manufacturers to set up an NMA should not deter affiliates of Member Companies from doing so.

12. INFOTAB 1984 programme:

Approval of INFOTAB project programme as presented by the Secretary General and its general thrust of activities.

13. Credibility:

(1) Agreement to the Matrix as a guideline for action.

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(2) Credibility not to be considered as a single issue but as an umbrella for all sub-issues.

14. "Passive"/public smoking-agreement for Secretariat to suggest initiatives to strengthen industry's case. Possible budget requirements to be submitted to April Board Meeting.

Next Board Meetings

89. The next Board Meeting will take place in Brussels on April 4, 1984, with a dinner on April 3.

90. It was agreed that the autumn Board Meeting would take place in the United States, with participants arriving on Saturday, October 27 and departing on Tuesday, October 30, 1984.

Any other business

91. On behalf of the Board, the Chairman expressed thanks to Mr. Charles Tucker for his long and valuable service to INFOTAB. He hoped that INFOTAB can continue to benefit from Mr. Tucker's vast experience.

92. There being no other business, the Chairman expressed his thanks to all those associated with the arrangements for the meeting and closed the session.

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